

TAB

**SECRET****ATTACHMENT 1**

25X1

**Cost Comparison** 

25X1

1. A cost comparison for each area division is appended. For clarity, the comparison for the FE Division has detailed references to the source of fundamentals and derivation of values for each item. Comparisons  in all other divisions are similarly computed.

2. Results are summarized:

<u>Area Division</u>	<u>Increased Cost to Provide Agency-owned Furnishings</u>
a. FE	24.9
b. ME	34.9
c. WH	114.2
d. NC	70.3
e. BK	8.2
f. AP	56.0
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	308.5

Average percent for Agency (308.5 divided by 6) = 51.4

3. The average greater cost to the Agency indicated for provision of Agency-owned furnishings is conservative for these reasons:

- a. The cost of transportation for Agency-owned furniture and cost of its storage overseas are available only at each field component. If these costs were included in the comparisons, the cost differential would be substantially greater.

b.

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

**SECRET****FOR EAST DIVISION**

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b> Furnishings allowance \$4,000 Life of furnishings is 5 years Cost per year is 1/5 of \$4,000 = \$800 x 2 year tour = \$1,600	\$1,600.00	0
<b>SHIP 1,934 POUNDS OF EMPLOYEE'S PRIVATE BELONGINGS</b> 1,934 pounds from Line 3, para- graph 4, Tab D. <span style="border: 1px solid black; padding: 2px;"> </span> flat fee (paragraph 1, Tab G) one way for civilian = \$650 x 2 for round trip = \$1,300	1,300.00	0
<b>OVERHEAD COST</b> From paragraph 11, Tab F, 10 per- cent per year of \$4,000 furnishings allowance is \$400 x 2 year tour = \$800	800.00	0
<b>COST OF MAINTENANCE AND SERVICES</b> From paragraph 20, Tab F, 15 per- cent per year of \$4,000 furnishings allowance is \$600 x 2 year tour = \$1,200	1,200.00	0
<b>STORAGE COSTS FOR 3,290 POUNDS OF EMPLOYEE'S BELONGINGS</b> From Line 3, paragraph 5, Tab D - 3,290 pounds. From paragraph 2, Tab K - \$6.00 per cwt for pickup and preparation = <span style="border: 1px solid black; padding: 2px;">131.60</span> \$4.40 per cwt per month for storage is \$13.16 x 24 months = <span style="border: 1px solid black; padding: 2px;">315.84</span> \$1.50 per cwt delivery out <span style="border: 1px solid black; padding: 2px;">49.25</span> <span style="border: 1px solid black; padding: 2px;">3495.79</span>	497.00	0
<b>STORAGE COST OF AGENCY FURNISHINGS</b> Not available at Headquarters.	0	0
<b>COST OF TRANSPORTATION OF AGENCY FURNISHINGS</b> Not available at Headquarters.	0	0

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	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>TEMPORARY LODGING</b>	\$ 245.00*	\$ 245.00*
Paragraph 4, Tab B, average of 12 days at \$20.39 = \$244.68		
<b>COST TO SHIP 5,024 POUNDS OF EMPLOYEE'S FURNISHINGS</b>	0	4,592.00
From paragraph 4, Tab D, 1,934 pounds shipped plus 3,290 pounds stored from paragraph 5, Tab D = 5,224 pounds. Using same rate as for shipping 1,934 pounds of employee's effects (above) \$1,700 divided by 1,934 pounds = \$0.879. 5,224 pounds x \$0.879 = \$4,592.09		
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	\$6,042.00	\$4,837.00

Difference: \$1,205.00

Cost to provide Agency-owned furnishings is 24.9 percent greater.  
\*Figure for 1963 not available--1962 figure used.

MAINTAIN EUROPE DIVISION

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	\$1,600.00	0
<b>SHIP 2,393 POUNDS OF EMPLOYEE'S FURNISHINGS ROUND TRIP</b>	2,000.00	0
<b>OVERHEAD COST</b>	800.00	0
<b>COST OF MAINTENANCE AND SERVICE</b>	1,200.00	0
<b>COSTS FOR STORAGE OF 2,921 POUNDS OF EMPLOYEE'S FURNISHINGS</b>	461.00	0
<b>EXCHANGE COSTS OF AGENCY FURNISHINGS</b>	0	0
<b>COST OF TRANSPORTATION OF AGENCY FURNISHINGS</b>	0	0
<b>TEMPORARY LODGING</b>	148.00	\$ 148.00
<b>COST TO SHIP 5,314 POUNDS OF EMPLOYEE'S FURNISHINGS</b>	0	4,442.00
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	3 \$6,189.00	\$4,589.00

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Difference: \$1,600.00

Cost to provide Agency-owned furnishings is 34.9 percent greater.

WACHTER HOTELS/SUPER DIVISION

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	<b>\$1,600.00</b>	0
SHIP 4,530 POUNDS OF EMPLOYEE'S EFFECTS ROUND TRIP	1,700.00	0
OVERHEAD COST	500.00	0
COST OF MAINTENANCE AND SERVICE	1,200.00	0
STORAGE COSTS FOR 1910 POUNDS OF EMPLOYEE'S EFFECTS	286.00	0
STORAGE COST OF AGENCY FURNISHINGS	0	0
COST OF TRANSPORTATION OF AGENCY FURNISHINGS	0	0
TEMPORARY LOGGING	364.00	4 364.00
COST TO SHIP 6,440 POUNDS OF EMPLOYEE'S FURNISHINGS	0	2,415.00
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	<b>\$5,952.00</b>	<b>\$2,779.00</b>

Difference: \$3,173.00

Cost to provide Agency-owned furnishings is 114.2 percent greater.

WACHTER HOTELS DIVISION

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	<b>\$1,600.00</b>	0
SHIP 3,040 POUNDS OF EMPLOYEE'S EFFECTS ROUND TRIP	2,000.00	0
OVERHEAD COSTS	500.00	0
COST OF MAINTENANCE AND SERVICE	1,200.00	0
STORAGE COSTS FOR 2,150 POUNDS OF EMPLOYEE'S EFFECTS	286.00	0

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	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>STORAGE COST OF AGENCY FURNISHINGS</b>	0	0
<b>COST OF TRANSPORTATION OF AGENCY FURNISHINGS</b>	0	0
<b>TEMPORARY LODGING</b>	\$ 148.00	\$ 148.00
<b>COST TO SHIP 5,190 POUNDS OF AN EMPLOYEE'S FURNISHINGS</b>	0	3,419.00
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	\$6,074.00	\$3,567.00

Difference: \$2,507.00

Cost to provide Agency-owned furnishings is 70.3 percent greater.

**EUROPEAN EAST DIVISION**

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	\$1,500.00	0
<b>SHIP 2,136 POUNDS OF EMPLOYEE'S EFFEKT ROUND TRIP</b>	2,000.00	0
<b>OVERHEAD COSTS</b>	500.00	0
<b>COST OF MAINTENANCE AND SERVICE</b>	1,200.00	0
<b>STORAGE COSTS FOR 3,974 POUNDS OF EMPLOYEE'S EFFEKT</b>	600.00	0
<b>STORAGE COST OF AGENCY FURNISHINGS</b>	0	0
<b>COST OF TRANSPORTATION OF AGENCY FURNISHINGS</b>	0	0
<b>TEMPORARY LODGING</b>	\$9.00	\$ 9.00
<b>COST TO SHIP 6,110 POUNDS OF EMPLOYEE'S FURNISHINGS</b>	0	5,721.00
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	\$6,209.00	\$5,812.00

Difference: \$479.00

Cost to provide Agency-owned furnishings is 0.2 percent greater.

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**SECRET**AFRICA DIVISION

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	<b>\$1,600.00</b>	<b>0</b>
<b>SHIP 2,691 POUNDS OF EMPLOYEE'S EFFECTS ROUND TRIP</b>	<b>2,000.00</b>	<b>0</b>
<b>OVERHEAD COSTS</b>	<b>500.00</b>	<b>0</b>
<b>COST OF MAINTENANCE AND SERVICE</b>	<b>1,200.00</b>	<b>0</b>
<b>STORAGE COST FOR 2,453 POUNDS OF EMPLOYEE'S EFFECTS</b>	<b>370.00</b>	<b>0</b>
<b>STORAGE COST OF AGENCY FURNISHINGS</b>	<b>0</b>	<b>0</b>
<b>COST OF TRANSPORTATION OF AGENCY FURNISHINGS</b>	<b>0</b>	<b>0</b>
<b>TEMPORARY LODGING</b>	<b>10.00*</b>	<b>10.00*</b>
<b>COST TO SHIP 5,144 POUNDS OF EMPLOYEE'S EFFECTS</b>	<b>0</b>	<b>3,823.00</b>
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	<b>\$5,980.00</b>	<b>\$3,833.00</b>

Difference: **+\$2,147.00**Cost to provide Agency-owned furnishings is 56.0 percent greater.  
\*Figure for 1963 not available--1962 figure used.**SECRET**